



August 9, 2023

NEXON Co., Ltd.

<https://company.nexon.co.jp/en/>

(Stock Code: 3659, TSE Prime Market)

## Nexon Releases Earnings for Second Quarter 2023

*Record-Breaking Second Quarter Revenue Up 12% YoY*

*Performance Driven by FIFA ONLINE 4, FIFA MOBILE,  
Wars of Prasia, HIT2, and Blue Archive*

*Repurchasing ¥20 Billion of Company Shares Beginning August 10*

**TOKYO – August 9, 2023** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in Virtual Worlds, today announced the financial results for its second quarter ended on June 30, 2023.

“Nexon delivered a fifth-straight quarter of double-digit topline growth with operating income up 22% year over year,” said Owen Mahoney, President and CEO of Nexon. “Our second quarter was driven by strong performances of *FIFA ONLINE 4*<sup>1</sup>, *FIFA MOBILE*<sup>2</sup>, *Wars of Prasia*, *HIT2*, *Blue Archive*, and by growing player engagement in both *MapleStory* and *Dungeon&Fighter*.

“Based on the steady growth of our existing Virtual Worlds, the potential for new hits in our pipeline, and the unique opportunity offered by FX rates, Nexon’s Board of Directors has authorized a one-year acceleration of the ¥100 billion share repurchase plan announced in 2022,” continued Mahoney. “This includes the immediate repurchase of ¥20 billion worth of Nexon stock in a three-month period beginning August 10.”

### Recent Highlights Include:

- In Q2, Nexon achieved record-breaking second quarter revenue of ¥94.4 billion, up 12% year over year on an as-reported basis and up 10% year over year on a constant-currency<sup>3</sup> basis, which was within the range of our outlook.
- Performance was driven by the growth of *FIFA ONLINE 4*<sup>1</sup>, *FIFA MOBILE*<sup>2</sup>, and *Blue Archive*, as well as contributions from *Wars of Prasia* and *HIT2*.
- Operating income was up 22% year over year and within our outlook at ¥27.6 billion.
- Net income<sup>4,5</sup> of ¥24.5 billion exceeded our outlook due in part to an ¥8.1 billion FX gain, primarily on U.S. dollar-denominated cash deposits, but decreased 7% compared to a year ago when Nexon recorded a ¥27.7 billion FX gain.
- In Korea, Nexon achieved record-breaking second quarter revenue – up 21% year over year and within our outlook. Results in Korea were driven by *FIFA ONLINE 4*<sup>1</sup>, *FIFA MOBILE*<sup>2</sup>, *Wars of Prasia*, and *HIT2*.



- *FIFA ONLINE 4*<sup>1</sup> achieved record-breaking second quarter revenue, maintaining a positive trend that followed last year's World Cup. MAUs, paying users, and ARPPU all increased year over year. *FIFA MOBILE*<sup>2</sup> also maintained its strong momentum following the World Cup, achieving record-setting second quarter revenue.
- In Korea, *MapleStory* focused on increasing player engagement ahead of an important update in Q3. As a result, revenue was below our outlook and decreased year over year. However, the number of active users grew by double digits year over year. *MapleStory* is now positioned for double-digit year-over-year revenue growth in Q3.
- In China, revenue was within our expectations and decreased 5% year over year against a tough comparison with Q2 2022 when the China business grew 43%. *Dungeon&Fighter* introduced a Labor Day update in April and the 15th Anniversary update in June, which led to a solid year-over-year increase in MAUs.
- In Japan, revenue increased by 8% year over year driven by *Blue Archive* and *MapleStory*.
- Revenue from North America and Europe decreased by 5% year over year due to decreases in *Choices*<sup>6</sup> and other mobile games.
- Rest-of-World<sup>7</sup> revenue increased by 11% year over year driven by a contribution from *HIT2* which launched on May 23.
- In June, MINTROCKET, a sub brand of Nexon, released *DAVE THE DIVER*, a hybrid marine adventure which mixes deep sea fishing with sushi restaurant management. On Steam, 97% of roughly 47,000 players recommended the game, which earned an "Overwhelmingly Positive" rating<sup>8</sup>. Later this year, *DAVE THE DIVER* will be released on Nintendo Switch.
- On August 3, Nexon's globally successful RPG, *Blue Archive*, debuted in China, with solid early support from players.
- In June, Embark Studios' *THE FINALS* completed a second beta test which provided key insights for finaling the game. Critical player feedback from the summer test will be incorporated into the game ahead of one more beta test planned before the game launches later this year.
- The second title from Embark Studios, *ARC Raiders*, held a three-day closed-alpha test in June. The test revealed a wealth of insights the team will use in preparing *ARC Raiders* for release.
- In July, Nexon announced that *EA SPORTS™ FIFA ONLINE 4* and *EA SPORTS™ FIFA MOBILE* will be rebranded as *EA SPORTS™ FC ONLINE* and *EA SPORT™ FC MOBILE*. The rebranding will become effective in September 2023 and players will be able to continue their games with updates.
- On August 9, Nexon's Board of Directors authorized a one-year acceleration of the ¥100 billion, three-year share repurchase plan announced in 2022. The new target for completion is August 2024. The board also authorized the repurchase of ¥20 billion worth of Nexon shares in a three-month period under the same program beginning August 10, 2023. To date, Nexon has repurchased a total of ¥50 billion worth of shares.

**Third Quarter 2023 Outlook:**

- Expect revenue in the range of ¥109.9 to ¥119.8 billion, representing a 13% to 23% increase year over year on an as-reported basis and a 7% to 17% increase on a constant-currency basis<sup>3</sup>
- Expect operating income of ¥36.6 to ¥44.5 billion
- Expect net income<sup>4,5</sup> of ¥28.2 to ¥34.1 billion
- FX sensitivity<sup>9</sup>: Every one-Japanese yen move against the U.S. dollar would have the following impact on our financials for Q3 2023:
  - Revenue: ¥0.81 billion
  - Operating Income: ¥0.30 billion

**Conference Call (Japanese & English)**

Nexon management will host a conference call for investors, analysts and the media to discuss the company's financial results and outlook. The conference call will be held at 5:00 p.m. JST / 4:00 a.m. EDT and will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. The Q&A session will be conducted with consecutive translations.

Time: August 9, 2023, at 5:00 p.m. JST / 4:00 a.m. EDT (planned)

**Pre-registration Required**

Please register from the link below. Passcode and PIN code will be provided upon registration.

To register, please go to [Registration Page](#)

<https://eng-services.choruscallasia.com/DiamondPassRegistration/register?confirmationNumber=7797617&linkSecurityString=12fe77b3fe>

(Please note that the link is accessible on Google Chrome, Mozilla Firefox, Microsoft Edge (Chromium) only.)

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\*Passcode and PIN code will be required to join the call

If you have any questions, do not hesitate to contact at the e-mail address or telephone number below:

E-mail: [customer\\_support\\_asia@choruscall.com](mailto:customer_support_asia@choruscall.com)

Phone: +(81)50-5824-9227

Weekdays 8:30 a.m. - 6:00 p.m. JST.



### Audio Archive and Transcript

An audio archive and a transcript will be available on Nexon's Investor Relations website at <https://ir.nexon.co.jp/en/> after the earnings conference call.

This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.

### About NEXON Co., Ltd. <https://company.nexon.co.jp/en/>

Founded in 1994, NEXON Co., Ltd. (Nexon) (3659.TO) is a company engaged in the production, development and operation of online games and Virtual Worlds. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and added to the Nikkei Stock Index 300 in 2017. In 2020, Nexon was added to the Nikkei 225. Nexon currently has more than 50 live games on multiple platforms including mobile and available in more than 190 countries. Major game franchises include *MapleStory*, *KartRider* and *Dungeon&Fighter*. In 2021, Nexon completed the acquisition of Embark Studios AB, a company based in Stockholm, Sweden, developing multiple projects for global release.

### Contact Information

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<sup>1</sup> Official title is *EA SPORTS™ FIFA ONLINE 4* (PC).

<sup>2</sup> Official title is *EA SPORTS™ FIFA MOBILE*.

<sup>3</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period.

<sup>4</sup> Net income refers to net income attributable to owners of the parent.

<sup>5</sup> As a result of finalizing the provisional accounting treatment for a certain investment where the equity method is applied, "Equity loss of affiliates, equity method companies" decreased by ¥1.8 billion and "Net income" increased by ¥1.8 billion in Q2 2022. Also, "Equity loss of affiliates, equity method companies" increased by ¥2.1 billion and "Net income" decreased by ¥2.1 billion in Q3 2022. There is no financial impact on the annual performance of 2022.

<sup>6</sup> Official title is *Choices: Stories You Play*.

<sup>7</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>8</sup> As of August 7, 2023

<sup>9</sup> In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese yen when there is an exchange rate movement in US. dollar and Japanese yen.